

MARCH 16, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON MARCH 16, 2009, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 6:00 P.M. ON MARCH 16, 2009.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 5; SURFACE ACTIONS AS LISTED ON PAGES 5 TO 16; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 17.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 6:00 P.M. ON MONDAY, MARCH 30, 2009. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.



KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION



LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

MINERAL ACTIONS

AMENDMENT OF PRED 722 SAND WASH OIL SHALE LAND BLOCK (SCH)

Policy No. 2006-04 of the Board of Trustees of the School and Institutional Trust Lands Administration requires that Oil Shale Block Lands be leased only with Board Approval using the OBA process. On February 15, 2008, the Director approved PRED 722 to more clearly define the Sand Wash Oil Shale Land Block as including 9491.69 acres of oil shale resource trust land in Uintah County. The Minerals Group has subsequently identified several more parcels of trust land in the immediate vicinity of PRED 722 which may logically be associated with development in the Sand Wash Oil Shale Land Block. Such parcels of land are presently leased for Oil Shale by the same lessee holding leases on PRED 722 and are listed as follows, totaling 8960.50 (SCH) acres. When added to the acreage presently covered by PRED 722, the new total acreage for PRED 722 will be 18,452.19 acres.

T9S R22E, SLB&M., Section 36

T10S, R21E, SLB&M., Sections 12, 13, 36

T10S, R22E, SLB&M., Sections 2, 10, 11, 12, 13, 14, 16, 18, 19, 20, 24, 25, 32, 36

Upon recommendation of Mr. Blake, the Director approved the amendment of PRED 722 to include all trust land acreage within the sections of land listed above.

WITHDRAWAL NO. 65 - OVER-THE-COUNTER METALLIFEROUS MINERALS

The lands listed below potentially contain developable deposits of Metalliferous Minerals. In order to serve the best interest of the Trust and to ensure that the Metalliferous Mineral resources are responsibly and diligently recovered, the lands are withdrawn from over-the-counter Metalliferous Minerals leasing. These lands will only be offered for Metalliferous Minerals lease through the sealed-bid competitive lease offering or by Board approval as provided for under Utah Code Ann. 53C-2-401(1)(d)(ii), which permits the Board of Trustees to approve "other business arrangements".

WDRN NO. 65

School and Institutional Trust
Lands Administration
675 East 500 South, Suite 500
Salt Lake City, UT 84102

T27S, R13W, SLB&M.

SEC. 16: Lots 1(33.82), 2(32.85), 3(33.66), 4(29.87),
5(33.53), 6(4.46), 7(10.89), 8(39.93),
9(33.96), 10(34.22), 11(29.56), 12(6.78),
N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$

Beaver
484.03 Acres

FUND: SCH

T9S, R2W, SLB&M.

SEC. 16: E $\frac{1}{2}$, SW $\frac{1}{4}$

Utah
480.00 Acres

Upon recommendation of Mr. Stokes, the Director approved the withdrawal of the above-referenced lands from over-the-counter Metalliferous Minerals leasing (WDRN NO. 65).

METALLIFEROUS MINERAL LEASE APPROVAL

Upon recommendation of Mr. Stokes, the Director approved the Metalliferous Minerals lease application listed below at a minimum annual rental rate of \$500 per lease or \$1 per acre, whichever is greater. The production royalty, as provided in the lease form, approved by the Director of the Trust Lands Administration, is 8% for fissionable minerals and 4% for non-fissionable minerals - based on the gross value of the ore. The land status has been examined utilizing both the plat books and the business system and the lands were found to be open and available. The application has been checked for completeness and found to be in proper order. The business system and plat books have been updated to show the lease application as an existing contract on the lands described below:

| | | |
|------------------------|---|--------------|
| <u>ML 51578</u> | <u>T29.5S, R22E, SLB&M.</u> | San Juan |
| Ben Campbell | SEC. 36: LOTS 1(40.68), 2(40.79), 3(40.91), 4(41.02), | 643.40 Acres |
| 106 Forest Drive | S½N½, S½ [ALL] | |
| Palestine, Texas 75801 | | |

Annual Rental: \$644

FUND: SCH

INTEREST ASSIGNMENT – GEMSTONE/FOSSIL LEASE

Upon recommendation of Mr. Stokes, the Director approved the assignment of 80% interest in and to the lease listed below to Roger Perkins, 224 S. Martin St., Little Rock, AR 72205, by Robert D. Drachuk. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

ROBERT D. DRACHUK – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

***ROGER PERKINS – 80%,
ROBERT D. DRACHUK – 20%***

....ML 48870 (SCH)....

TOTAL ASSIGNMENT – METALLIFEROUS MINERALS LEASE

Upon recommendation of Mr. Stokes, the Director approved the assignment of the lease listed below to Roger T. Russell, 1956 Berkeley Street, Salt Lake City, UT 84108, by GRE, Inc. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

GRE, INC. – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

ROGER T. RUSSELL – 100%

....ML 51571 (SCH)....

TOTAL ASSIGNMENT – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of the leases listed below to Tidewater Oil & Gas Company, LLC, 110 16TH Street, Suite 405, Denver CO 80202, by Dorothy Jones. No override, but subject to 7.5% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

DOROTHY JONES – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

TIDEWATER OIL & GAS COMPANY, LLC – 100%

....ML 51428 (SCH)....ML 51429 (SCH)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 25% interest in operating rights from surface to Base of Green River Formation in and to the lease listed below to XTO Energy Inc., 810 Houston Street, Fort Worth, TX 76102, by Dominion Exploration & Production Company. No override. (***REFUND: \$150.00 to JIMAR Resources Corporation, 2923 Fairmount Street, Dallas, TX 75201-1457, overpayment of filing fee.***)

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

EOG RESOURCES, INC. – 75%,

XTO ENERGY INC. – 25%

***OPERATING RIGHTS: SURFACE TO BASE OF
GREEN RIVER FORMATION***

T12S, R14E, SLB&M.

SEC. 16: ALL

SEC. 20: SW¹/₄NE¹/₄

EOG RESOURCES, INC. – 75%,

***DOMINION EXPLORATION & PRODUCTION
COMPANY – 25%***

T12S, R14E, SLB&M.

SEC. 15: S¹/₂SW¹/₄

BILL BARRETT CORPORATION – 52.50%,

***DOMINION EXPLORATION & PRODUCTION
COMPANY – 25%,***

EOG RESOURCES, INC. – 22.50%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

EOG RESOURCES, INC. – 75%,

XTO ENERGY INC. – 25%

***OPERATING RIGHTS: SURFACE TO BASE OF
GREEN RIVER FORMATION***

T12S, R14E, SLB&M.

SEC. 16: ALL

SEC. 20: SW¹/₄NE¹/₄

EOG RESOURCES, INC. – 75%,

XTO ENERGY INC. – 25%

T12S, R14E, SLB&M.

SEC. 15: S¹/₂SW¹/₄

BILL BARRETT CORPORATION – 52.50%,

XTO ENERGY INC. – 25%,

EOG RESOURCES, INC. – 22.50%

....ML 45798 (SCH)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

Upon recommendation of Ms. Garrison, the Director approved the assignment of 73.75% interest in operating rights from below Base of Green River Formation to 9691 feet in part of lands: S½SW¼ Sec. 15, T12S, R14E, SLB&M., in and to the lease listed below to XTO Energy Inc., 810 Houston Street, Fort Worth, TX 76102, by Dominion Exploration & Production Company. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

EOG RESOURCES, INC. – 75%,
XTO ENERGY INC. – 25%

***OPERATING RIGHTS: BELOW BASE OF
GREEN RIVER FORMATION TO 9691 FEET***

T12S, R14E, SLB&M.

SEC. 15: S½SW¼

***DOMINION EXPLORATION & PRODUCTION
COMPANY – 73.75%,
BILL BARRETT CORPORATION – 26.25%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

EOG RESOURCES, INC. – 75%,
XTO ENERGY INC. – 25%

***OPERATING RIGHTS: BELOW BASE OF
GREEN RIVER FORMATION TO 9691 FEET***

T12S, R14E, SLB&M.

SEC. 15: S½SW¼

***XTO ENERGY INC. – 73.75%,
BILL BARRETT CORPORATION – 26.25%***

....ML 45798 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 73.75% interest in operating rights from 9691 feet down in part of lands: S½SW¼ Sec. 15, T12S, R14E, SLB&M., in and to the lease listed below to XTO Energy Inc., 810 Houston Street, Fort Worth, TX 76102, by Dominion Exploration & Production Company. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

EOG RESOURCES, INC. – 75%,
XTO ENERGY INC. – 25%

OPERATING RIGHTS: 9691 FEET DOWN

T12S, R14E, SLB&M.

SEC. 15: S½SW¼

***DOMINION EXPLORATION & PRODUCTION
COMPANY – 73.75%,
EOG RESOURCES INC. – 26.25%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

EOG RESOURCES, INC. – 75%,
XTO ENERGY INC. – 25%

OPERATING RIGHTS: 9691 FEET DOWN

T12S, R14E, SLB&M.

SEC. 15: S½SW¼

***XTO ENERGY INC. – 73.75%,
EOG RESOURCES INC. – 26.25%***

....ML 45798 (SCH)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

Upon recommendation of Ms. Garrison, the Director approved the assignment of 4.588274% interest in operating rights in and to the lease listed below to Crownrock, L.P., P.O. Box 52507, Midland, TX 79710, by Kenneth E. and Joyce Roddy Revocable Trust dated 12/12/84. No override, but subject to previous overrides as reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

CROWNQUEST OPERATING, LLC – 100%

OPERATING RIGHTS:

LYNDEN USA, INC. – 55%,

CROWNROCK, L.P. – 25%,

ENERQUEST OIL & GAS LTD. – 15.411726%,

KENNETH E. AND JOYCE RODDY, AS TRUSTEES

OF THE KENNETH E. AND JOYCE RODDY

REVOCABLE TRUST DATED 12/12/84-4.588274%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

CROWNQUEST OPERATING, LLC – 100%

OPERATING RIGHTS:

LYNDEN USA, INC. – 55%,

CROWNROCK, L.P. – 29.588274%,

ENERQUEST OIL & GAS LTD. – 15.411726%

....ML 48672 (SCH)....

S U R F A C E A C T I O N S

GRAZING PERMITS

GRAZING PERMIT NO. 23304 (APPROVAL)

Lance Udy
1529 East Hwy 77
Malta, ID 83342

640.00 Acres 45 AUMs School Fund Box Elder County

First Year's Rental: \$175.40

Application Fee: \$50.00

T15N, R16W, SLB&M

Section 32: All

The term of this permit begins July 1, 2008, and expires June 30, 2023. Season of use is April 1 through April 30, and September 1 through September 21. The type of livestock is cattle. Junction Creek Allotment.

Upon recommendation of Mr. Scott Chamberlain, the Director approved Grazing Permit No 23304.

GRAZING PERMIT NO. 23305 (APPROVAL)

Dennis Timm
HC 61 Box 260
Callao, UT 84083

1,025.51 Acres 50 AUMs School Fund Juab County

First Year's Rental: \$193.55

Application Fee: \$50.00

T11S, R16W, SLB&M

Section 32: All

T12S, R16W, SLB&M

Section 2: Lots 1 - 8, S $\frac{1}{2}$ N $\frac{1}{2}$

The term of this permit begins July 1, 2008, and expires June 30, 2023. Season of use is November 1 to April 15. The type of livestock is cattle. Callao Allotment. The permittee was short \$1.45 in the weed fee. This amount will be billed in the 2009 billing cycle.

Upon recommendation of Mr. Scott Chamberlain, the Director approved Grazing Permit No 23305.

RANGE IMPROVEMENT PROJECTS

RANGE IMPROVEMENT PROJECT NO. 342 (APPROVAL WITH TWO-YEAR EXTENSION OF TERM FOR GP 22619)

APPLICANT'S NAME AND ADDRESS:

Art Lyman
P.O. Box 291
Loa, UT 84747

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T30S, R11E, SLB&M

Section 2: SE $\frac{1}{4}$ SW $\frac{1}{4}$

COUNTY: Wayne

FUND: School

REQUESTED/PROPOSED ACTION:

The applicant proposes to drill a well for livestock water and install a water trough on-site. The well will be six inches in diameter and several hundred feet deep. A submersible pump will be installed and water pumped to a trough to provide water on the west side of State Highway 95 which is being fenced for public safety. A water right application (95-5245) has been applied for with the Division of Water Rights. This project is being funded in cooperation with the Utah Department of Agriculture & Food Grazing Improvement Program ("GIP").

RANGE IMPROVEMENT PROJECT NO. 342 (APPROVAL WITH TWO-YEAR EXTENSION OF TERM FOR GP 22619) (CONTINUED)

RELEVANT FACTUAL BACKGROUND:

On November 19, 2008, the applicant submitted a proposal for this range improvement project. A search of the Agency's records was made to determine the status of the area involved. The grazing permit of record on the affected area is GP 22619, issued to the applicant. The other records for this area are a mineral lease, ML 50914, for metalliferous minerals, and a right of entry permit, ROE 5115, for horseback and ATV rides. This project will not affect either of these uses.

This project was submitted to the Resource Development Coordinating Committee ("RDCC") on January 29, 2009. No comments have been received from RDCC to date.

A cultural resource survey was conducted by the Agency's archaeological staff. No cultural resources were found.

Funding of this project will be provided by the applicant (\$5,000) and GIP (\$20,000). The \$5,000.00 will be amortized. Following is a flat rate amortization schedule (NRCS Schedule) for these projects if the Agency cancels the grazing permit before the project is fully amortized. If permittee sells or allows the permit to expire or to be canceled due to his own failure, then the amortization schedule will be canceled.

| Project | Project Cost | Project Life | Year Completed | Yearly Amortized Deduction | Year Fully Amortized |
|----------------|---------------------|---------------------|-----------------------|-----------------------------------|-----------------------------|
| Well/Trough | \$5,000 | 20 | 2009 | \$250.00/year | 2029 |

EVALUATION OF THE FACTS:

The proposed range improvement is not located on land affected by (a) or (b) of R850-50-1100(5). The proposed water development fills a critical need for livestock management and will enhance the value of the range. Due to Rule R850-50-600, the expiration term for GP 22619 will be extended two years to June 30, 2015.

Based on the above information and upon recommendation by Mr. Ron Torgerson, the Director approved Range Improvement Project No. 342. This summary will constitute the record of decision.

EASEMENTS

EASEMENT NO. 1471 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

South Central Utah Telephone Association
P.O. Box 10
Tropic, Utah 84776

LEGAL DESCRIPTION:

Township 30 South, Range 7 West, SLB&M
Section 16: W½E½, SE¼SE¼ (within)

A 10 foot wide easement for a communications line, being 5 feet on either side of the following described centerline:

EASEMENT NO. 1471 (APPROVAL) (CONTINUED)

Beginning at a point on the north section line of Section 16, T30S, R7W, SLB&M, said point being 2482 feet, more or less, from the northeast corner of said Section 16, and running thence southerly through the E $\frac{1}{2}$ of said Section 16 to a point on the south section line, said point being 1273 feet, more or less, east of the southeast corner of said Section 16, said easement running along the west side of the west right-of-way fence line as a county road known as the West Frontage Road of Interstate 15. Contains 1.26 acres, more or less.

Township 31 South, Range 6 West, SLB&M

Section 8: NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ (within)

Section 9: S $\frac{1}{2}$ S $\frac{1}{2}$ (within)

Section 14: SW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

Section 15: N $\frac{1}{2}$ NE $\frac{1}{4}$ (within)

Section 23: N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ (within)

A 10 foot wide easement for a communications line, being 5 feet on either side of the following described centerline:

Beginning at a point on the east section line of Section 23, T31S, R6W, SLB&M, said point being 2237 feet, more or less, south of the northeast corner of said Section 23, and running thence northwesterly through the N $\frac{1}{2}$ of said Section 23 to a point on the north section line of said Section 23, said point being 976 feet, more or less, east of the northwest corner of said Section 23; thence continuing through the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 14, T31S, R6W, SLB&M, to a point on the west section line of said Section 14, said point being 798 feet, more or less, north of the southwest corner of said Section 14. Said route is running along the northerly side of a county road known as Dog Valley Road as it runs through Fremont Canyon. Contains 1.49 acres, more or less.

Also, beginning at a point 1320 feet south and 1320 feet, more or less, east of the northwest corner of Section 15, T31S, R6W, SLB&M, and running thence northwesterly through the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 15. Said route is running along the northerly side of a county road known as Dog Valley Road as it runs through Fremont Canyon. Contains 0.38 acres, more or less.

Also, beginning at a point on the south section line of Section 9, T31S, R6W, SLB&M, said point being 1172 feet, more or less, west of the southeast corner of said Section 9, and thence running northwesterly through the S $\frac{1}{2}$ S $\frac{1}{2}$ of said Section 9 to a point on the west section line of said Section 9, said point being 1129 feet north, more or less, of the southwest corner of said Section 9; thence continuing northwesterly through the SE $\frac{1}{4}$ and the NE $\frac{1}{4}$ and the NW $\frac{1}{4}$ of Section 8, T31S, R6W, SLB&M, to a point on the north section line of said Section 8, said point being 1683 feet, more or less, east from the northwest corner of said Section 8. Said route is running along the northerly side of a county road known as Dog Valley Road as it runs through Fremont Canyon. Contains 2.52 acres, more or less.

Township 31 South, Range 7 West, SLB&M

Section 2: Lots 1, 7, 8, 10, NW $\frac{1}{4}$ SE $\frac{1}{4}$ (within)

A 10 foot wide easement for a communications line, being 5 feet on either side of the following described centerline:

Beginning at a point on the north section line of Section 2, T31S, R7W, SLB&M, said point being 335 feet, more or less, west from the northeast corner of said Section 2, and running thence southwesterly through said Section 2 to a point on the south section line, said point being 1646 feet, more or less, from the southwest corner of said Section 2. This route follows along the easterly side of Old Highway 91. Contains 1.55 acres, more or less.

EASEMENT NO. 1471 (APPROVAL) (CONTINUED)

Township 32 South, Range 5 West, SLB&M

Section 16: S½SW¼ (within)

A 10 foot wide easement for a communications line, being 5 feet on either side of the following described centerline:

Beginning at a point on the south section line of Section 16, T32S, R5W, SLB&M, said point being 575 feet, more or less, west of the south ¼ corner, and running thence northwesterly through the SE¼SW¼ of said Section 16 and continuing to run northwesterly through the SW¼SW¼ of said Section 16 and ending at a point on the westerly section line of said Section 16, said point being 1091 feet, more or less, north of the southwest corner of said Section 16. Said route is running along the northerly side of a county road know as Dog Valley Road. Contains 0.54 acres, more or less.

COUNTIES: Beaver, Iron and Garfield

ACRES: 7.74

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a buried fiber optics communications line. The fiber optics line will run along a portion of I-15 near the Beaver/Iron County border and will also follow along the Dog Valley Road, which traverses the Buckhorn Block in northeastern Iron County. The proposed fiber optics cable is needed to provide greater bandwidth capacity and increase service quality to customers in Beaver, Iron, and Garfield Counties. This new line will also provide redundancy to the applicant's overall infrastructure, resulting in more reliable service. The proposed easement corridor is 33,883 feet long and 10 feet wide, containing 7.74 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The application was submitted for review by the Resource Development Coordinating Committee ("RDCC"), the Five County Association of Governments, the Beaver County Commission, the Iron County Commission, and the Garfield County Commission for review and comment. The following comments were received:

Five County Association of Governments:

"The Utah State Trust Lands Administration proposes to authorize an easement for the installation of fiber optic lines in Beaver, Garfield, and Iron Counties. This project will enhance the capacity of broadband communications across the region. Regional policies support such efforts."

Iron County:

"Thank you for your notice concerning the proposed fiber optics line easement on School Trust Lands by South Central Utah Telephone Association, Application #1471. We have no objection to granting the easement for this project; however, if the line is within the existing County roadway easement, we will require an encroachment permit from the County. We will also expect the County road to be restored to its existing condition once the project is complete, especially where the cable may cross the roadway."

"Iron County supports projects that improve telecommunication services to its citizens. We appreciate the opportunity to review and comment on this action."

The applicant has been notified of the comments submitted by the RDCC.

EASEMENT NO. 1471 (APPROVAL) (CONTINUED)

The proposed project area has been surveyed for cultural resources by Transcon Environmental (U-08-TN-0213b,p,s and U-08-TN-0653b,p,s). All NRHP-eligible archaeological sites will be mitigated or avoided by construction activities. The Trust Lands Administration's staff archaeologist has reviewed the project and has granted cultural resource clearance for the project with a finding of "No Adverse Affect."

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1471 for a term of 30 years beginning March 1, 2009, and expiring February 28, 2039, with the easement fee being \$12,321.09 plus the \$750.00 application fee. Pursuant to R850-40-1800, an administrative fee will be assessed every three years throughout the term of the easement, with the first payment being due on January 1, 2012.

EASEMENT NO. 1292 (ASSIGNMENT)

Bruce Barton, 30 East 300 South, Manti, Utah, 84642, has requested permission to assign 100% of his interest in Easement No. 1292 to Dennis & Debra Ward, 1315 East 950 South, Springville, Utah, 84663. Easement No. 1292 was issued effective February 1, 2008, for a 30 foot wide access road corridor. Pursuant to Trust Lands Rule R850-40-1600, it has been determined that there is no difference between what was originally paid for the easement and what will be charged for the easement at this time; therefore, no additional fees are required.

The required \$250.00 assignment fee has been paid. The expiration date of the easement remains January 31, 2038. Sanpete County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 1292.

EASEMENT NO. 1428 (ASSIGNMENT)

Liberty Pioneer Energy Source, 1411 East 840 North, Orem, Utah, 84097, has requested permission to assign 100% of its interest in Easement No. 1428 to Fidelity Exploration & Production Company, 1700 Lincoln Street, Suite 2800, Denver, Colorado, 80203. Easement No. 1428 was issued effective December 1, 2008, for a 30 foot wide access road corridor. Pursuant to Trust Lands Rule R850-40-1600, it has been determined that there is no difference between what was originally paid for the easement and what will be charged for the easement at this time; therefore, no additional fees are required.

The required \$250.00 assignment fee has been paid. The expiration date of the easement remains November 30, 2028. Grand County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 1428.

EASEMENT NO. 1373 (CORRECTION OF DIRECTOR'S MINUTES DATED MARCH 9, 2009)

On the Director's Minutes of March 9, 2009, the Director approved Easement No. 1373, issued to Nielson Construction, 825 North Loop Road, P.O. Box 620, Huntington, Utah, 84528. The easement was issued for the purpose of the construction, operation, repair, and maintenance of a telephone communications line. The easement was issued for a term of 30 years.

It was erroneously stated in the minutes that *the administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00*. The minutes should be corrected to state that, **pursuant to R850-40-1800, an administrative fee will be assessed every three years throughout the term of the easement, with the first payment being due on January 1, 2012.**

Carbon County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the correction to the Director's Minutes dated March 9, 2009.

EASEMENT NO. 1408 (CORRECTION OF DIRECTOR'S MINUTES DATED MARCH 2, 2009)

On the Director's Minutes of March 2, 2009, the Director approved Easement No. 1408, issued to Sevier County, 250 North Main, Richfield, Utah, 84701. The easement was issued for the purpose of the operation, repair, and maintenance of a number of access roads throughout Sevier County. The easement was issued for a perpetual term.

It has been discovered that the legal description for County Road Number 6146 (Popular Name: Gurney – Chris's Auto Road) was incorrectly listed as:

Township 21 South, **Range 2 West**, SLB&M
Section 34: SE $\frac{1}{4}$ SE $\frac{1}{4}$ (within)

The correct description should read:

Township 21 South, **Range 1 West**, SLB&M
Section 34: SE $\frac{1}{4}$ SE $\frac{1}{4}$ (within)

Sevier County. School, Normal School, Reservoirs, University, and School of Mines Funds.

Upon recommendation of Mr. Chris Fausett, the Director approved the correction to the Director's Minutes dated March 2, 2009.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 1624 (APPROVAL-AGRICULTURAL)****APPLICANT'S NAME AND ADDRESS:**

Burnell Slauch
10973 Circle Ranch Rd.
Vernal, UT 84078

LEGAL DESCRIPTION:

Township 6 South, Range 22 East, SLB&M
Section 16:

Beginning at the Northwest Corner of the S½NW¼ of Section 16, Township 6 South, Range 22 East, SLB&M; thence S 87°15'25" E 2680.65 feet along the north line of the S½NW¼ of said Section; thence S 0°36'59" E 1302.29 feet along the east line of said S½NW¼; thence S 87°19'50" E 1627.73 feet along the east-west quarter Section line; thence westerly along an existing fence S 57°11'22" W 250.65 feet; thence S 86°52'41" W 1349.75 feet; thence S 86°55'19" W 1892.75 feet; thence N 48°04'22" W 995.35 feet; thence N 1°37'32" W 356.56 feet; thence N 56°23'12" W 135.97 feet; thence N 0°25'00" W 720.52 feet along the west line of said Section 16 to the point of beginning.

COUNTY: Uintah

ACRES: 104.677

FUND: School

LEASE TYPE: AGR

PROPOSED ACTION:

Issue an agricultural lease for the purpose of cultivation of irrigated crops such as alfalfa, grass hay, and other crops suitable for the soils and climate of the subject property. The lessee may use any portion of the subject property not used for cultivation of irrigated crops for the grazing of livestock and the storage of such implements as may be required for the cultivation and harvesting of irrigated crops. Fencing the property may be allowed. This will be a continuation of an existing activity, replacing SULA 427.

RELEVANT FACTUAL BACKGROUND:

The application for a lease was received on December 8, 2008. The Director accepted the application on December 29, 2008.

A public notice was published according to rule and sent to all existing permittees, lessees, and adjoining landowners. No competing applications or comments were received. Because this is a continuation of an existing practice on the ground, the application was not submitted for review by the Resource Development Coordinating Committee ("RDCC"). Notice was sent to Uintah County.

Since this lease is a continuation of an existing activity on the subject property, an archaeological survey was deemed not necessary by the Agency's cultural resource specialist.

SPECIAL USE LEASE AGREEMENT NO. 1624 (APPROVAL-AGRICULTURAL) (CONTINUED)

EVALUATION OF FACTS:

The applicant submitted a bid proposal for SULA 1624 in the amount of \$2,090.00. The application is for 104.677 acres. The bid amount equals \$19.97 per acre. The value of the subject property is estimated to be \$800.00 per acre for a total value of \$83,742.00. This amount, multiplied by the accepted rate of 3.25%, is greater than the amount bid by the applicant. Pursuant to Utah Admin. Code R850-30-400(2), the applicant's bid of \$2,090.00 per year can only be accepted if a clause is included in the lease document allowing the Agency to terminate the lease prior to the expiration of its term if such is determined to be in the best interest of the Beneficiaries. As the applicant's offer of \$2,090.00 per year is equal to or greater than comparable agricultural lease rates, and the applicant has agreed to a termination clause, the applicant's bid of \$2,090.00 per year is, therefore, deemed to satisfy R850-30-400(2).

The fees which are due prior to the issuance of a lease are as follows:

| | |
|----------------------------|-------------------|
| Application fee: | \$ 250.00 |
| Advertising | \$ 101.00 |
| Lease processing | \$ 700.00 |
| <u>First Year's Rental</u> | <u>\$2,090.00</u> |
| Total | \$3,141.00 |

The lease will contain language allowing for a rental review at the end of the first five-year period of the lease and every five years thereafter, the first review being due March 1, 2014. The lease will also contain a termination clause allowing for the termination of the lease with four months written notice. The beginning date of this lease will be March 1, 2009. The expiration date of this lease will be February 28, 2029.

As there were no competing applications, this action does not warrant the time and expense necessary to complete a full narrative record of decision. Based on this evaluation, this summary will constitute the record of decision.

Upon recommendation of Mr. Scott Chamberlain, the Director approved SULA 1624 for a term of 20 years.

SPECIAL USE LEASE AGREEMENT NO. 1528 (CANCELLATION AND REFUND OF RENTAL)

The above numbered special use lease was approved on the November 30, 2007, Directors Minutes. The lease was for a hydrologic and meteorological data station issued to Southern Nevada Water Authority. The lease documents were prepared and sent to the lessee for signature. The lessee did not sign the lease and has subsequently determined that they do not want to pursue the lease and have requested it be canceled. There were no improvements or development completed on the ground. The lessee has requested a refund of the first year's rental which was paid in the amount of \$600.00. The processing fee, advertising fee, and application fees are forfeited to the Trust Lands Administration. **A refund of the \$600.00 rental should be sent to Southern Nevada Water Authority, 100 City Parkway, Suite 700, P.O. Box 99956, Las Vegas, NV 89106.**

Upon recommendation of Mr. Lou Brown, the Director approved the cancellation of SULA 1528 and ordered **a refund in the amount of \$600.00 be sent to Southern Nevada Water Authority.**

SPECIAL USE LEASE AGREEMENT NO. 1377 (THREE-YEAR REVIEW)

SULA 1377 is leased to Antimony Town, P.O. Box 46, Antimony, UT 84712. This is a government lease in Garfield County. School Fund.

1. **ANNUAL RENTAL:**

The three-year review date for this lease is May 1, 2009. The subject property is used for two culinary water storage tanks. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The current minimum adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the annual rental be adjusted from \$420.00 per year to the current minimum rental of \$600.00 per year, effective May 1, 2009. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$600.00

Acres in lease: 10.00

Rental per acre: \$60.00

2. **DUE DILIGENCE:**

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. **PROPER USE:**

The leased premises are being used in accordance with the lease agreement.

4. **ADEQUATE INSURANCE AND BOND COVERAGE:**

The lessee has provided proof of insurance as required by the lease. The lease allows for a bond to be required at any time during the lease term at the discretion of the Agency. A bond is not required at this time.

5. **ESTABLISHMENT OF WATER RIGHTS:**

There are no water rights associated with this lease which are vested with the Agency. All water rights associated with the water tanks are municipal rights owned by the town.

6. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.

7. **NEXT ASSESSMENT DATE:**

The next assessment date will be May 1, 2012.

Upon recommendation of Mr. Lou Brown, the Director approved the three-year review for SULA 1377.

SPECIAL USE LEASE AGREEMENT NO. 1125 (RECLAMATION BOND)

Pursuant to Paragraph 14 of the lease agreement, Cellular Inc. Network Corp., c/o Commnet Cellular, dba Verizon Wireless, Attn. Network Real Estate, 180 Washington Valley Road, Bedminster, NJ 07921, has submitted Financial Guarantee Bond No. 8216-05-86. The bonding company is Federal Insurance Company. The reclamation bond is for \$10,000.00 and will remain in full force and effect until February 11, 2010, and will at that time require an extension. Millard County. School Fund.

Upon recommendation of Mr. Gary Bagley, the Director accepted the bond submitted for SULA 1125.

SALES

ISSUANCE OF PATENT

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.: 8417

CERTIFICATE OF SALE NO.: 26488

SALE DATE: November 24, 2008

AUCTION DATE: October 10, 2008

PATENT NO.: 20131

PATENT DATE: December 9, 2008

ISSUED TO:

Irina G. Abolnik
P.O. Box 902200
Sandy, UT 84090

LEGAL DESCRIPTION:

Township 16 South, Range 4 West, SLB&M
Section 2: Lots, 4, 5, SW $\frac{1}{4}$ NE $\frac{1}{4}$

ACRES: 104.00, m/l

COUNTY: Millard

FUND: School

This item was submitted by Ms. Carney for record-keeping purposes.

PREDESIGNATIONS

PREDESIGNATION NO. 731 (CORRECTION OF DIRECTOR'S MINUTES DATED MARCH 2, 2009)

On the Director's Minutes of March 2, 2009, the Director conditionally recognized a number of valid existing rights for access roads throughout Sevier County by approving the issuance of a Conditional Disclaimer of Interest in Right of Way. This Conditional Disclaimer of Interest was assigned Predesignation No. 731.

It has been discovered that, within the legal description for County Road Number 6090 (Popular Name: Bear Valley Road), the lands in Section 27 were incorrectly listed as:

Township 24 South, Range 1 West, SLB&M
Section 27: SW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ (*within*)

The correct description should read:

Township 24 South, Range 1 West, SLB&M
Section 27: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ (*within*)

It has also been discovered that, in the legal description for County Road Number 6463 (Popular Name: Poverty Flat/Bertleson), the lands in Section 36 were incorrectly listed as:

Township 25 South, Range 4 West, SLB&M
Section 36: NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ (*within*)

PREDESIGNATION NO. 731 (CORRECTION OF DIRECTOR'S MINUTES DATED MARCH 2, 2009)
(CONTINUED)

The correct description should read:

Township 25 South, Range 4 West, SLB&M
 Section 36: *NE¹/₄SW¹/₄, S¹/₂NE¹/₄, NE¹/₄NE¹/₄ (within)*

Sevier County. School, Normal School, University, and School of Mines Funds.

Upon recommendation of Mr. Chris Fausett, the Director approved the correction to the Director's Minutes dated March 2, 2009.

WATER RIGHTS

WATER RIGHT NOS. 92-645 AND 92-646 (QUIT CLAIM DEED RECEIVED)

Water Right Nos. 92-645 and 92-646 are being used on private land which was recently sold but which was a part of Special Use Lease Agreement No. 1124 prior to its sale and which is located as follows:

Township 20 South, Range 16 East, SLB&M
 Section 23: SW¹/₄
 Section 26: NW¹/₄
 Section 27: NW¹/₄, NE¹/₄, SW¹/₄

These water rights, consisting of 578 acre feet, are part of the 600 acre feet acquired in conjunction with the Board of Water Resources from Flaming Gorge. As the Trust Lands Administration fulfilled all of the requirements imposed by the Board of Water Resources, a quit claim deed was issued dated January 28, 2009.

The original quit claim deed is filed in the Title Document Drawer.

This item submitted by Mr. Richard Wilcox for record-keeping purposes.

WATER RIGHT NOS. 97-2132 AND 97-2312 (QUIT CLAIM DEED RECEIVED)

Water Right Nos. 97-2132 and 97-2312 are being used in conjunction with Special Use Lease Agreement No. 1167 at the following described location:

Township 36 South, Range 11 East, SLB&M
 Section 32: NE¹/₄NW¹/₄

These water rights, consisting of 22 acre feet, are part of the 600 acre feet acquired in conjunction with the Board of Water Resources from Flaming Gorge. As the Trust Lands Administration fulfilled all of the requirements imposed by the Board of Water Resources, a quit claim deed was issued dated January 28, 2009.

The original quit claim deed is filed in the Title Document Drawer.

This item submitted by Mr. Wilcox for record-keeping purposes.

ACTIONS CONTAINING FEE WAIVERS

NONE